

# **FISCAL NOTE**

## **SB 3198 - HB 3240**

March 4, 2004

**SUMMARY OF BILL:** Prohibits a privately-owned public utility that supplies water to a municipal government from charging such municipal government in connection with fire hydrant service. Authorizes the public utility to recover its costs of providing fire hydrant service by charging non-municipal government customers.

### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – Less than \$50,000**

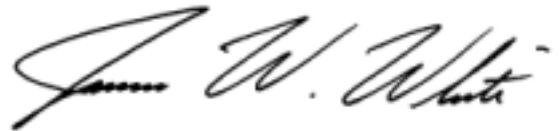
**Decrease Local Govt. Expenditures – Exceeds \$1,000,000**

Estimate assumes:

- affected municipalities currently paying for hydrant service will experience a decrease in expenditures estimated to exceed \$1,000,000 annually.
- an increase in rates charged by privately-owned public water utility to recover costs of fire hydrant service as authorized by the bill would result in an increase in expenditures to the state for water service in affected areas.
- the University of Tennessee – Chattanooga pays approximately \$230,000 annually for water service. An estimated 4% increase in rates would result in an increase in expenditures of \$9,200.
- other state agencies and facilities would be affected by the higher water rates for an increase in state expenditures of less than \$50,000.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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